EXHIBIT B

SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION, GENERAL EQUITY PART

ESSEX COUNTY

DOCKET NO. ESX-C-000248-16

APP. DIV. NO.

SCOTT PHILLIPS,

Plaintiff,

TRANSCRIPT

V.

OF

ARCHDIOCESE OF NEWARK and : DECISION OF THE COURT

ST. THERESA'S SCHOOL,

Defendants.

Place: Wilentz Justice Complex 212 Washington Street

Newark, NJ 07102

Date: August 14, 2017

BEFORE:

HONORABLE DONALD A. KESSLER, J.S.C.

TRANSCRIPT ORDERED BY:

CHRISTOPHER H. WESTRICK, ESQUIRE (Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.)

APPEARANCES:

SUSAN B. McCREA, ESQUIRE (Sole Practitioner) Attorney for the Plaintiff

CHRISTOPHER H. WESTRICK, ESQUIRE JOHN V. KELLY, III, ESQUIRE (Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C.) Attorneys for the Defendants

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(Trial commenced at 1:51 p.m.)
THE COURT: Please be seated.
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Okay. This is the matter of <u>Phillips versus</u> The Archdiocese of Newark.

Counsel, your appearances for the record?

MS. McCREA: Good afternoon, Your Honor.

Susan McCrea on behalf of plaintiff.

MR. WESTRICK: Good afternoon, Your Honor. Christopher Westrick and John Kelly from Carella Byrne on behalf of defendants.

THE COURT: Okay. Everyone can be seated.
Okay. The Court is going to deliver its
opinion now. It is my hope that I won't have to step
off the bench for a break, but it's possible I may.
We'll see how it goes.

Okay. For the purpose of my decision, the pertinent facts are, as follows:

Saint Theresa's R.C. Church is a New Jersey religious corporation, incorporated under <u>Title</u> 16 of the <u>New Jersey Statutes</u> and it is located at 541 Washington Avenue, Kenilworth, New Jersey. Saint Theresa's operates as a catholic parish, fulfilling the spiritual needs of parishioners. Saint Theresa's was formed exclusively for religious, charitable and educational purposes.

Saint Theresa's operates a religious school, STS -- Saint Theresa's School, which will be referred to as STS -- which educates primary school children with respect to their academic and spiritual educational needs. STS educates children from kindergarten through 8th grade, and also operates a preschool program.

The Roman Catholic Archdiocese of Newark is a not-for-profit corporation comprised of parishes, schools and other related entities operating in Essex, Bergen, Hudson and Union Counties. The Archdiocese was formed exclusively for religious, charitable and educational purposes. Saint Theresa's Church and its operations, including STS, are governed by the Archdiocese of Newark. The Archdiocese of Newark provides pastoral services for approximately 1.3 to 1.6 million parishioners.

Plaintiff Scott Phillips, his wife Theresa Mullen, their two children, S.P. -- two daughters, S.P. and K.P., and son, B.P., are parishioners of Saint Theresa's parish. Mr. Phillips and his wife have been parishioners at Saint Theresa's for 17 years. They have -- their three children -- B.P., age 15; S.P., age 13; and K.P., age 11 -- have all attended primary elementary school at SPS -- I'm sorry

-- STS from preschool through their entire elementary school education. B.P. now attends Seton Hall Prep. S.P. has completed the 7th grade and K.P. has completed the 5th grade last June.

Mr. Phillips and Ms. Mullen were married 17 years ago at Saint Theresa's. They have been active members of the parish regularly attending services and having developed a personal relationship with a recently-retired pastor, Father Joe Bejgrowicz.

The Phillips children were baptized at the church and have volunteered to be alter servers throughout the years. S.P. and K.P. have a number of friends, relationships with teachers, and a comfortable familiarity with Saint Theresa's School. They have volunteered to participate in many school activities. In S.P.'s case, she has been elected student council treasurer and has played on sports teams in the CYO league with other STS children in sports, such as basketball, volleyball and softball.

On December 2, 2016, plaintiff Scott Phillips, on behalf of his daughter, S.P., and his son, B.P., filed a complaint before this Court alleging several claims against the defendants. The complaint alleges bullying and harassment of S.P., failure by STS administrators to address sexually

inappropriate behavior, threat of violence with a knife, exclusion of S.P. and another child at a school sponsored trunk-or-treat event, and victimization of S.P.

Plaintiff's complaint also alleges that his son, B.P., was an outstanding student at STS. claims his son was in the running to become valedictorian of his class. Both Mr. Phillips and his wife, Ms. Mullen, testified at trial that B.P. received a subjective grade from S.P.'s home room teacher, the lowest grade he received during his education at STS. They claim the grade was lowered, because S.P. was mistreated and bullied by the teacher. They complained that the grade by S.P.'s biased home room teacher affected B.P.'s ability to become valedictorian and, therefore, he became the salutatorian, rather than the valedictorian of his class. Ms. Mullen testified that she sought a justification of this grade so she could explain these circumstances to B.P., but never got a satisfactory response.

Plaintiff's complaint further alleges that, beginning in early 2016, S.T. [sic] made numerous complaints to her home room teacher about inappropriate sexual behavior and harassing behavior

taking place in the classroom. According to plaintiff and Ms. Mullen, S.P. was thwarted for a period of time by her home room teacher from reported this behavior. Somewhat later, another teacher allowed S.P. to report her complaint about the sexual and harassing misconduct to the principal. Plaintiff claims that S.P. continued to report ongoing inappropriate behavior, principally by other male students, and claims that she was taunted by STS personnel, parents and other students.

Plaintiff and Ms. Mullen also testified at one point S.P. was threatened with a weapon and shown a picture of a non-STS student holding a gun. Plaintiff and Ms. Mullen also reported that they believed that she was taunted by another STS parent and excluded from participating in the school -- STS parents' school sponsored trunk-or-treat event at one of the car locations for that event.

Mr. Phillips and Ms. Mullen claimed during their testimony that SPS -- that S.P. was re-victimized by STS and Archdiocese personnel, who did nothing to respond to her complaints. At trial, Mr. Phillips and Ms. Mullen testified they went to Saint Theresa's School on a number of occasions to address the improper conduct and the actions against their children

at the school.

Ms. Mullen testified that she obtained — attempted to obtain resolution of her concerns from STS administrators. After her perceived failure of school administrators to address these concerns, she worked her way up the chain of Archdiocese personnel to address her concerns and have them appropriate — appropriately remedied. She testified that she wrote, had meetings, and/or telephone conversations with the Archdiocese superintendent of school, Dr. Margaret Dames, and the assistant superintendent overseeing STS school, Sister Patricia Butler. She also wrote to Cardinal Tobin, the archbishop of Newark, to seek his aid in addressing her concerns.

Plaintiff claims that defendants, through their authorized representatives, engaged in a pattern of retaliatory activity as a result of efforts by S.P. and her parents to protect S.P. in school and from abuse by teachers and other parents. They further believe that appropriate steps had not been taken to address their concerns which affected S.P.'s education, as well as the education of their other children.

The Archdiocese operates a CYO basketball league. The league has over 100 teams and 1,000

that age group for the CYO league.

participants in separate boys and girls leagues for the 2016-2017 season. At the beginning of the season, an insufficient number of girls volunteered to play on the girls' basketball team in S.P.'s age group. Therefore, STS was unable to field a girls' team in

Ms. Mullen requested the league officials allow S.P. to play on the boys' team in her age group, since there was no girls' team in that age group. She also requested, based on seniority as a coach, that she be appointed head coach of the boys' team and that the team's coach assume the role of assistant coach. Her request was denied by Richard Donovan, the administrator of the league. Plaintiff and Ms. Mullen asked other Archdiocese representatives to reverse Mr. Donovan's decision, but they refused.

Plaintiff and Ms. Mullen testified that the decision to exclude S.P. from the basketball team was also retaliation for their complaints and S.P.'s complaint about the bullying and harassing behavior she experienced. They also argue that S.P.'s exclusion from the boys' basketball team was discriminatory and was not prohibited by league rules.

At the time that the complaint was filed, December 2, 2016, plaintiff sought an interlocutory

injunction allowing defendants -- compelling defendants to allow S.P. to play on the STS CYO boys basketball team. The complaint also sought removal of unspecified personnel, damages and recision of federal funding of Saint Theresa's sports program if such funding was made under <u>Title</u> 9 of the federal antidiscrimination laws.

On February 1, 2017, STS expelled S.P. and K.P. from STS. The Appellate Division stayed the expulsion on February 2, 2016 and remanded this matter to this Court for a determination as to whether the expulsion should be permitted.

On February 15, 2017, Cardinal Tobin rescinded the expulsion.

On February 17, 2017, this Court ordered that S.P. be allowed to play on the boys basketball team.

Discord arose between many members of the STS community and the Phillips family, resulting in an online petition seeking their removal. There were also various Facebook posts in which various members of the community objected to their participation in the STS community.

On March 1, 2017, plaintiff and Ms. Mullen made a motion to amend the complaint in this case to $% \left(1\right) =\left(1\right) +\left(1\right) +\left($

have more than 80 defendants affiliated with the STS community joined as a part of the complaint and adding Ms. Mullen as a complaint -- plaintiff. This Court dismissed most of the amended complaint. In the time it arrived before this Court, there was actually a third amended complaint. And that denial was made without prejudice to repleading and refiling that pleading.

On April 2, 2017, the Archdiocese issued a letter through Dr. Dames refusing to re-enroll S.P. and K.P. at STS for the 2017-2018 school year.

Plaintiff amended his lawsuit claiming breach of contract and that the non-re-enrollment was retaliation for his efforts to seek to protect his children.

Defendants, the Archdiocese of Newark and Saint Theresa's, claim the non-re-enrollment of the children was an ecclesiastical decision which was based on the inability of Saint Theresa's School to function peacefully. Specifically, they claim the aggression of Mr. Phillips and Ms. Mullen, as parents, interfered with the peace and tranquility of the school community and inhibited the school from realizing its ecclesiastical mission.

Defendants further claim that they had a

secular right to deny re-enrollment to the children because of disruptive behavior of their parents. Defendants point out that the enrollment contracts between the defend -- between Saint Theresa's School and other parents are one-year contracts which are separately entered into each year and they would be the same contract that would also be offered to Mr. Phillips and Ms. Mullen. Defendants claim they had no legal obligation to enter a new one-year contract with Mr. Phillips and Ms. Mullen to re-enroll S.P. and K.P. for the upcoming academic year starting on September 6th.

In analyzing this case, the more detailed factual -- a more detailed factual background is necessary and warrants consideration. Specifically, the following:

In or around May 2016, S.P. complained to her mother that she witnessed inappropriate behavior, such as gyrating and sexually offensive comments by boys in her class. She also indicated she was threatened with a knife. S.P. told her mother about inappropriate words and classroom talk, much of which was of an inappropriate sexual nature. Ms. Mullen set up a meeting with the school's principal, Sister Hélène Godin.

Sister Hélène had been a Catholic school principal for nearly 30 years and was a member of the Salesian order. The Salesian educational philosophy under which Sister Hélène administered STS was, quote, "reason, religion and kindness," unquote. She understood her mission to develop the whole child body and soul

At the time of the meeting, Sister Hélène served as principal for approximately six years. She testified that as soon as this issue was brought to her, she spoke to the teacher involved and she also contacted the local police to report the threat of the use of the knife. Plaintiff scheduled -- Mr. Phillips scheduled appointments with Sister Hélène later that month. Sister -- as did Ms. Mullen. Sister Hélène investigated the sexual allegations, imposed what she deemed to be appropriate discipline upon the offending students. Because discipline upon the offending students was confidential to that minor and the student's family, the discipline taken was not shared with Ms. Mullen.

Later that month, Ms. Mullen had an interaction with B.P.'s teacher, home room teacher, Sister Juliet (phonetic), who was also -- Ms. Mullen complained that, as a result of the interaction, that

S.P. had with Sister Juliet (phonetic), her son B.P. received a grade of 74 on a test and he also received an 85 percent score on a test in which he answered 14 out of 15 questions correctly.

Ms. Mullen acknowledged that the mathematical difference on the 85 percent test grade may be attributable to the weight of the answers. Ms. Mullen claims she was compelled to pursue the grading issue, because she could not get an adequate response to enable — to explain — her to explain to B.P. why the grade was not higher.

Sister Hélène met with Ms. Mullen about this issue at the end of may. On June 1, 2016, Mr. Phillips then met with Sister Hélène about B.P. achieving the status of valedictorian of his class. Mr. Phillips claimed that he wanted to know in advance how the valedictorian calculation would be arrived at, since the previous year there was a .01 percent difference between the valedictorian and the salutatorian. He also claimed that he told Sister Hélène that he needed this information advanced of the announcement of the valedictorian since his son and the son of close friends were the top students. He, therefore, wanted to avoid conflict with the other family, who were personal friends.

Sister Hélène testified that Mr. Phillips threatened her that if B.P. was not named valedictorian, Ms. Mullen would analyze every grade and the school better have a good explanation for that decision. Sister Hélène agreed that B.P. was a strong student, but pointed out that there were other bright students in the class. She testified that the meeting ended with Mr. Phillips stating he hoped the conversation was not useless. Mr. Phillips claims Sister Hélène promised to let him know in advance of the announcement of the valedictorian award.

On June 3rd, two days later, the grades were tabulated and B.P. earned the honor of salutatorian. Sister Hélène called Mr. Phillips about his son receiving the honor of salutatorian. According to Sister Hélène, plaintiff responded by voicing his outrage that he did not get notice in advance and called her a son of a bitch. Sister Hélène indicated that she found the words, tone and content of the June 3 conversation to be threatening, bullying and demeaning. Plaintiff denied the use of the phrase son of a bitch, but indicated he was upset.

During her testimony, Sister Hélène was visibly shaking -- shaken when she was recalling the events in the entirety of the discussions about the

valedictorian issue. Her demeanor on the stand indicated that her feelings of being intimidated were credible, because, as the Court indicated, she did seem, even while testifying about it, to be shaken. Sister Hélène testified that she stepped down as principal and claimed that she lost confidence as a result of this hostility.

Mr. -- plaintiff offered testimony to minimize his conduct, claiming that Sister Hélène did not keep her word and he admitted he was angry. His testimony seemed to be contradictory. He said she broke her word, but said she was not a liar. Her -- his -- Mr. Phillips' efforts to parse words in explanation supported Sister Hélène's view of his hostility.

On June 3, 2016, Ms. Mullen had another meeting with Sister Hélène in which she -- in which Sister Hélène explained the decision. Ms. Mullen was not satisfied with the efforts of Sister Hélène to address her concerns.

On June 6, 2016, Ms. Mullen wrote to Dr. Margaret Dames, superintendent of the Archdiocese schools. Dr. Dames acts as the chief administrator of the network of Archdiocese schools, overseeing more than 90 primary and secondary schools which the

Archdiocese operates. The Archdiocese educates over 30,000 students. Dr. Dames reports directly to the Archbishop, Cardinal Tobin, about the operation of the Archdiocese schools. Cardinal Tobin relies on her management and is rarely involved in individual student decisions, because of the number of issues that he needs to oversee.

Ms. Mullen complained in her June 6th letter referenced above that there was a pattern of behavior that negatively affected S.P., resulting in S.P. being re-victimized and her son, B.P., being negatively affected. In her letter, she -- both Dr. Dames and Sister Hélène explained how they resolved each of these issues.

The first issue raised was that a picture was shown to S.P. of a gun by a non -- a male non-student at STS who was frequenting STS property. In her testimony, Dr. Dames explained that the incident was reported to the local police immediately. In contrast, Ms. Mullen testified that neither she nor her husband, a retired Kenilworth police captain, reported the matter to the Kenilworth Police Department. Dr. Dames appears to have taken appropriate steps in her discretion to resolve the problem and there was no testimony at trial that this

problem ever resurfaced.

The second issue was Ms. Mullen reported that there were sexually inappropriate behavior of boys gyrating on desks and boys making sexually inappropriate statements to girl students. testified that the boys made offending sexual comments and were the perpetrators. Ms. Mullen testified that other parents also made appointments with Sister Hélène to express outrage about this behavior. At trial, Ms. Mullen clarified that two boys were involved. Sister Hélène and Dr. Dames testified that appropriate discipline was imposed. The boys are minors. The discipline was not discussed with Ms. Mullen.

Ms. Mullen was asked for an interview with S.P. by the administration, but that interview was refused, claiming that it would re-victimize her. And she also refused to identify the offending boys, saying that information was already known to Sister Hélène. It escapes the Court to understand why, if this information was known, it couldn't be provided to make sure there was no error. Ms. Mullen agreed in her cross-examination that the offending conduct did not occur during the following school year and, therefore, that conduct likewise appeared to be

appropriately remedied.

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In her letter, as a third grievance, Ms. Mullen complained about a substitute teacher's inappropriate conduct. That conduct was likewise addressed by the teacher being removed from the substitute teacher's list.

The fourth issue addressed, which was the heart of a series of letters, complained about B.P.'s grade and plaintiff and Ms. -- and Mr. Phillips and Ms. Mullen's dissatisfaction that they were not informed of the valedictorian selection prior to its announcement. In that letter, contrary to Mr. Phillips' testimony, Ms. Mullen stated that plaintiff could not believe that Sister Hélène lied to her -lied to him. In his testimony, Mr. Mullen specifically -- Mr. Phillips specifically said -refused to say that he was lied to. Ms. Mullen indicated that she and her husband met with Sister Hélène, but were not satisfied with the answer. Mullen concluded her June 6th letter stating, quote:

"By way of this letter, I am requesting an immediate meeting with the Archdiocese before graduation tomorrow evening. I am requesting the written policy of how the

valedictorian/salutatorian is computed be

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provided to me, including how the advanced math class is weighted, together with exactly how it was calculated this year, with backup figures, so that I can confirm that it was accurately done." And that letter is, I believe, P-23A in evidence.

Ms. Mullen couched her request in terms of giving closure to her son for not being named valedictorian. However, the demand of an immediate meeting, the otherwise argumentative remarks made by Mr. Phillips in his meeting and phone call with Dr. with Sister Hélène, were an effort to control the grading process and to change the valedictorian award. The Court is satisfied that Dr. Dames and Sister Hélène were exercising appropriate judgment and were not required to respond to angry micro management.

Parenthetically, the Court notes that the Phillips' complaints about these matters were rooted in advancing their son's best interests. Their complaint about S.P.'s experiences were likewise rooted in S.P.'s best interests. However, Mr. Phillips and Ms. Mullen appeared to lost objectivity and sought the resolution of their grievances by taking an extremely confrontational approach, rather than a conciliatory approach.

In response to Ms. Mullen's letter, Dr. Dames assigned the investigation of Ms. Mullen's June 6th complaints to one of her superintendents, Sister Patricia Butler. Dr. -- as mentioned above, Dr. Dames oversees the education of approximately 30,000 students. Therefore, she relies on associate superintendents, including Sister Butler.

Ms. Mullen spoke to Sister Butler on June 7, 2016. Ms. Mullen sent a further letter to Sister Butler on June 8, 2016 and that letter likewise complained about the valedictorian selection. In her letter, Ms. Mullen stated, quote:

"Once again, I am requesting the written policy of how the valedictorian/salutatorian is computed to be provided to me, including how the advanced math class is weighted, together with exactly how it was calculated this year, with backup figures, so that I can confirm that it was accurately done." Unquote.

Ms. Mullen's letter went on to state, quote: "If the Archdiocese refuses to give me this information, I remind STS and the Archdiocese by way of this letter that both have been put on notice to preserve all requested materials, in the event they are not voluntarily given to me,

and that additional action needs to be taken."

This letter characterizes actions of Saint Theresa's School as being bullying and harassment of her family and characterizes that behavior as, quote, "deplorable," unquote, and that is -- that letter is joint ex -- Plaintiff's Exhibit 23-2B, I believe. However, in making such claims, Ms. Mullen failed to appreciate the way in which her words would be received by religious educators and did not consider that her efforts to protect her son had gone too far.

Sister Butler requested on June 13th the students' names responsible for the inappropriate behavior and, as mentioned before, Ms. Mullen would not provide that information.

On June 15, 2016, Ms. Mullen wrote to Dr. Dames complaining she did not have closure on the valedictorian issue. At the end of her letter, she stated, quote: "Please be advised that if no response by week's end, I will have no other choice than to take this matter to the next level. I hope this is not necessary." Period, unquote. And that's P-23-2C.

On June 27, having received Sister Butler's June 13th correspondence, Ms. Mullen wrote to Sister Butler stating she would not provide the names of the boys who engaged in sexually inappropriate behavior,

even though she said the information could be obtained from Sister Hélène and was obviously known to her.

In the fall of 2016, at the beginning of the school year, the registration period for CYO basketball began. Several girls who were on S.P.'s basketball team in the prior year at STS had graduated and there were not enough girls to form a girls' team at STS for S.P.'s age group for the season -- for the 2016-2017 league year.

Applications for participation were sent to students on September 19, 2016. Richard Donovan, the associate director of the league, claimed he advised Ms. Mullen on September 28, 2016 that the roster submission deadline for the league was October 25th and that if there were not enough applicants to form a STS girls' team, efforts would be made to place Saint Theresa's girl students on a neighboring team.

Ms. Mullen denied this conversation ever took place and claimed she was not advised of a deadline. Ms. Mullen claimed that she first learned from another parent that the deadline from -- to form a girls' team had passed and she immediately asked that she be permitted to solicit the late formation of a girls' team, as she was allowed to do in the prior year. Her request was refused and she then requested

that S.P. be placed on the Saint Theresa's 7th grade boys' team. Ms. Mullen requested S.P.'s placement on the boys' team, because of S.P.'s deep sense of loyalty to STS and because of her desire to participate in the school spirit of STS. She did not want S.P. to play for a neighboring girls' school team.

Ms. Mullen claimed that applications were accepted from two boys to play on the boys' team after the deadline and that CYO rules did not prohibit S.P. from playing on the boys' team. Mr. Donovan, the league director, denied her request. Mr. Donovan also was an STS parent, but was functioning in the capacity as league director, an entirely different role.

On October 18, 2016, S.P.'s sister, K.P., received a written warning notice from her gym teacher, Brittany Dvorscak. According to Ms. Dvorscak, students were told to stop talking in the hallway or they would receive a warning notice. While Ms. Dvorscak was not -- did not testify at trial, the Court got testimony from witnesses on both sides about this incident. On her way back from gym class, Ms. Dvorscak advised Deacon Joe that K.P. continued to talk. She received a written warning notice for excessive talking.

Mr. Phillips testified that K.P. never received a prior warning and was very upset. Ms. Dvorscak met with Mr. Phillips and explained the events. Mr. Phillips challenged her and asked the warning notice to be withdrawn. A discussion ensued and Mr. Phillips and Deacon Joe also discussed -- with the principal, discussed the situation and at Deacon Joe's request, the warning notice was withdrawn and Ms. Dvorscak agreed that if K.P. received another notice, that she would hand it directly to Mr. Phillips. And this is yet another example of grievances that the Phillips family had that the school responded to.

On October 28, 2016, there was an STS-sponsored, quote, trunk-or-treat, unquote, event. This annual event revolves around parents decorating their cars and dispensing candy, having their personal cars function as the equivalent of a Halloween home. According to Ms. Mullen, S.P. came home from the trunk-or-treat car event complaining that she was belittled at one location by one of the parents, reducing her to tears.

On November 4, 2016, Ms. Mullen wrote a letter to the principal, Deacon Joe Caporaso, claiming -- complaining about the actions of the parent at the

trunk-or-treat event and also complaining about the rejection of S.P.'s basketball registration forms. In her correspondence, she pointed out that she had met with Deacon Joe earlier in October to discuss the difficulty of fielding a girls basketball team the prior year. Deacon Joe characterized this meeting as a history lesson on STS's girls basketball. Based on that information that she previously provided to Deacon Joe, Ms. Mullen expressed her belief that the late registration should be accepted and also complained about STS's [sic] treatment at the trunk-or-treat.

After receiving the e-mail, Deacon Joe met with Ms. Mullen and suggested she try to work out the trunk-or-treat problem with the offending parent via direct conversation with that parent. In fact, at trial, Deacon Joe testified that the two parents had different versions of the story and he believed that it would be more appropriate for the parents to work this out between themselves. He also indicated he had no knowledge about the sports program and no interest in sports programs, and that Ms. Mullen should reach out to league officials.

On November 8, 2016, Ms. Mullen wrote to Dr. Dames and Sister Butler complaining that S.P. had been

re-victimized at the trunk-or-treat event and requested an immediate investigation into CYO -- into the CYO basketball league director's conduct in thwarting S.P's participation on the boys' team, since there was no girls' team. She also indicated she wanted to be named as head coach of the boys' team. She demanded a written response from STS and the Archdiocese. At the end of the letter, she stated, quote: "If I fail to receive a response by the close of business tomorrow, I will have no other choice but to take all the aforementioned to the next level," unquote. P-23-2E.

On November 18, 2016, Ms. Mullen wrote to Dr. Dames stating she would -- she was making a final request for a meeting and concluded the letter by saying, quote: "If a meeting is not scheduled by the close of business today, I will have no choice but to file the appropriate legal work on Monday, which I hope is not necessary," unquote.

On November 22, 2016, plaintiff and Ms. Mullen met with Sister Butler and Dr. Dames. At the meeting, in view of the impending litigation, Dr. Dames recommended the Phillips' attorney reach out to the Archdiocese attorney to attempt to come to the res -- to a resolution. It appeared at the meeting that a

resolution was not possible and that the matter may well come to litigation. It was the hope that if the attorneys were to talk to each other, the litigation could be avoided.

On December 2, 2016, plaintiff filed the initial complaint in this matter, seeking, among other things, that S.P. be permitted to play basketball on the boys' team.

Shortly after the complaint, Mr. Phillips called his boyhood friend, Kevin Kernan, a sports writer for the New York Post. Plaintiff testified that he thought that S.P.'s desire to play on the boys' team was a human interest story which would appeal to the press. He stated he wanted the story to get out accurately and, therefore, contacted his boyhood friend, Mr. Kernan.

In his testimony, Mr. Phillips conceded that Mr. Kernan is a highly respected and widely read sports writer. Mr. Phillips denied contacting the newspaper to obtain leverage; however, he admitted that he freely made himself and his children available to other media outlets for interviews. Mr. Phillips refused to acknowledge that the press attention could have a negative effect on the Saint Theresa's community and that the public attention from the basketball

dispute was a cause for concern for the community, including the administrator -- its teachers, the administrators and families.

The information that defendants received from parents and/or administrators was that the press coverage initiated by Mr. Phillips was disrupting the peaceful operation of the school -- Catholic school community.

During this case, the Court agreed it would not hear testimony of individuals communicating about this matter with the defendants. Rather, this Court said it would hear testimony about this information to obtain evidence as to the perception that defendants had about these complaints and the action that was resulted from those reports. And in so doing, this Court relied on Carmona v. Resorts International Hotel, 189 N.J. 354, 376 (2007) and Toto versus Princeton Township, 404 N.J.Super. 604, 619 (Appellate Division 2009).

On February 1, 2016, defendants made a decision to expel the children from Saint Theresa's School. The expulsion letter was delivered to plaintiff by defendants' counsel by an e-mail sent after office hours. Defendants' counsel advised plaintiff's counsel that he children were expelled and

should not return to school the next day.

The February 1 letter was issued by Dr. Dames and indicated that S.P. and K.P. would be asked not to return to the school. In her letter, Dr. Dames stated that on August 30, 2016, plaintiff executed an acknowledgment accepting the rules and regulations of the school. Dr. Dames' letter pointed out that the student handbook stated that, quote: "If a parent implicates Saint Theresa's in a legal matter or names Saint Theresa's School as defendants in a civil matter, the parents/guardians will be requested to remove their children immediately from the school." Period, unquote. Exhibit J-1.

Plaintiff and Ms. Mullen received the e-mail from their attorney while they were attending a New York Liberty Basketball Team practice with S.P. and one of her friends. They claim that the manner and timing of the expulsion was a further act of retaliation precipitated by plaintiff actively pursuing a litigation seeking S.P.'s right to play basketball on the boys' team.

The next morning, plaintiff and Ms. Mullen brought the children to Saint Theresa's School. Mr. Phillips left Ms. Mullen, S.P. and K.P. at the school. He then brought B.P. to Seton Hall Prep. Shortly

thereafter, Deacon Joe, the principal, asked Ms. Mullen to meet with him in the office to discuss the expulsion, since he did not want to address the matter publicly, but preferred to do so in private. He was accompanied at the meeting by Father Joe, the pastor of Saint Theresa's Church, and Father Vincent.

Ms. Mullen was asked to leave the by Deacon Joe. She refused. Deacon Joe then read a statement to Ms. Mullen prepared by defendants' counsel stating that the children were expelled from school, that Ms. Mullen must leave the school grounds, and that if she did not leave the building, that trespass charges would be brought against her. Ms. Mullen refused to leave the building, stating, among other things, that she would not leave without a court order and without an explanation upon which the expulsion was based. Ms. Mullen did not leave the building immediately, but left the building eventually. A trespass complaint was signed by Father Joe.

Plaintiff presented testimony from Mark Bergamotto, a close personal friend and STS parent, about the events of February 2. Mr. Bergamotto's testimony was wholly incredible. He testified he parked his car strategically to watch the events of February 2. His testimony appeared to be calculated

and could not be believed.

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On February 2, 2016 [sic], the Archdiocese issued a press release indicating the student handbook contained a provision that students would be expelled immediately if the parents initiated litigation against STS and that Mr. Phillips agreed in writing to this term in the handbook.

The trespass incident is a truly unfortunate part of this case. There is little doubt that, in this instance, both parties could have exercised better judgment. Neither side took the initiative to first discuss this matter off the school grounds. Sadly, the Phillips children, S.P. and K.P., were brought to school by her [sic] parents that day and witnessed some of these unfortunately events. Both parties should have taken responsibility for the position in which the Phillips children were placed.

Plaintiff filed an application with the Court to stay the expulsion of S.P. and K.P. The removal of the children from the school was enjoined by the entry of a stay issued by the Appellate Division. That order enjoined the removal pending a hearing by this Court and remanded the matter to this Court to determine whether the removal should be authorized or should be vacated.

On February 2, 2016 [sic], the Phillips children -- or February 3, 2016 [sic], the Phillips children returned to school.

Cardinal Tobin was installed as Archbishop of Newark beginning in January 2017. He read about the expulsion of the Phillips children in a newspaper and also read that some girls had been playing on a boys CYO team, resulting in that team's exclusion from further play in the boys basketball league. Tobin perceived S.P.'s expulsion to be based on her desire to play basketball. He believed that decision was misplaced. He expressed sympathy for S.P., due in part to the fact that he has eight sisters and several nieces. He also learned that the coed team forfeited games in the boys' league for violation of the league rules. He reversed the exclusion of the coed team from playing in the boys' league. He further learned that S.P. and K.P.'s expulsion was based on a student handbook provision that a student could be expelled if parents were bringing a lawsuit against the defendants. He did not agree with that policy and asked the handbook provision to be eliminated.

On or about February 17, 2017, this Court entered an order compelling the addition of S.P. to the 7th grade boys' team, a decision founded in large

part on the fact that the Court -- this Court learned that girls were permitted to play on another boys' team in the CYO league. Initially, this Court had been advised that there were only separate boys' and girls' teams participating in the CYO league. Based on this evidence, the Court denied the initial application to allow S.P. to play on the boys' team. After the additional information was provided to the Court that girls were playing on a boys' team in the league, this Court changed its ruling and ordered that S.P. be allowed to play basketball on the boys' team for the remainder of the current season.

Plaintiff points out that this Court was provided with false submissions in and around December 2016 that no girl played on any boy team -- boys' team. However, the individual responsible for this information, Mr. Donovan, was not a witness in this case, thus whether [sic] the incorrect information provided with this -- with respect to an earlier issue was not the subject matter of testimony in the hearing on the re-enrollment issue.

On February 15, 2017, Cardinal Tobin issued a press release in which he rescinded the expulsion of S.P. and K.P. The press release also state the coed team would be allowed to finish its play in the boys'

league for the current season.

Deacon Joe testified at trial that a disruptive atmosphere at STS intensified dramatically after S.P. and K.P. returned to school in February. He received verbal and written communication from STS parents expressing concerns about the disruptive atmosphere at school, which other STS parents perceived was caused by the Phillips family.

The STS parents were concerned about the disruption caused by the lawsuit over basketball, the intense media attention that followed, and the disruptive effect of the reinstatement of the children by the Court. Some of the parents who wrote to Deacon Joe complaining that [sic] the Phillips family wanted to remain anonymous out of alleged fear of retribution by the Phillips family.

As mentioned previously, the Court did not consider this evidence as to whether or not it was truthful, this -- rather, this evidence was reviewed to determine what action was taken by the defendants as a result of this information.

Deacon Joe testified that on the day of the expulsion, news vans had been parked adjacent to the school grounds of the church and had also been parked there on other occasions. He stated that a 2nd grader

-- all because of this case, the Phillips' case. He stated that a 2nd grader expressed her desire not to attend STS in the future because of the presence of news vans. Another student asked to be dismissed through the back door, rather than the front door, because of the news vans' presence.

He also pointed out that several parents

He also pointed out that several parents signed an online petition voicing their concerns about the uproar created by this information — by this litigation. The petition itself, which was placed in evidence by the plaintiffs, was signed by dozens of individuals who complained about comments to the media and what they perceived to be disparaging remarks about the school and its students, and the overall disruption that they felt the public attention of this litigation was causing.

Plaintiffs stated that -- or were of the belief that the petition was endorsed by STS, but I will get to it a little later. Actually, Sister -- Dr. Dames specifically tried to stop the petition and neither STS nor the Archdiocese have any power to take down that petition. What they did about is, Dr. Dames asked members of the community not to sign it anymore and teachers were told by Deacon Joe and by Dr. Dames that they were not to sign such a petition going

forward. So, they did try to act. They were also told that any Facebook -- the teachers were told not to post negative facebook posts and members of the community were likewise asked to stop such behavior.

Given the controversy which arose at the time the Phillips children returned to school, Dr. Dames, as superintendent of schools, decided to hold parent meetings at STS to calm down the situation and to refocus all the parents on the mission of the school to educate the children in a loving and nurturing environment. Dr. Dames wanted to restore a tranquil and cooperative environment. For that reason, she scheduled listening sessions for February 22, 2017. Dr. Dames first met with approximately 14 teachers. The -- she then met with parents in groups It was her goal to bring the focus of the school back to joy and optimism, consistent with its ecclesiastical mission.

Ms. Mullen attended the first listening session on February 22. At those -- the listening sessions, Dr. Dames asked for the online petition to be stopped from everyone who was at the -- at those listening sessions, and when -- and she also learned at those sessions for the first time that there were Facebook posts, and she also asked for the negative

Facebook posts to stop.

It was her aim in having this meeting to calm tensions and restore harmony in the school between all parents and teachers, including Ms. Mullen and Mr. Phillips. She asked for the cooperation of the school community on refocusing their attention to create a positive environment. Dr. Dames urged the parents to be positive and to stop negative interactions, so the educational mission could move forward.

On the very next day, February 23, 2017, Ms. Mullen wrote to Cardinal Tobin complaining that she and her family had been victims of negative statements by Mr. Donovan, the director of the CYO, negative Facebook posts by STS parents and the online petition by various STS parents and teachers. Ms. Mullen asked for an opportunity to meet privately with Cardinal Tobin to discuss her concerns and, quote, "if at all possible, before the new set of legal papers are to be filed on March 1, 2017." Thus, she gave Cardinal Tobin an ultimatum that if he did not meet with her within the next six days, and presumably satisfy her concerns, further litigation would follow. Cardinal Tobin claimed he never saw this letter prior to trial. Plaintiff and Ms. Mullen filed the motion to

amend the complaint, seeking to add Ms. Mullen as a plaintiff and suing at least 80 individuals associated with the STS community and Archdiocese personnel, including Father Joe and Dr. Dames.

Dr. Dames testified that the filing of the lawsuit showed that there was not going to be an easy resolution of the dispute between the parties. Her testimony subjected [sic] that her objective to calm the controversy was undermined by Mr. Phillips and Ms. Mullen filing this amended lawsuit.

After the filing of the lawsuit, the uproar at STS intensified. Deacon Joe observed the new lawsuit and ongoing presence of the press continued to cause disruption at the school and interfered with its normal functioning. He understood that parents, teachers and students were fearful because of their interactions with the Phillips family and were fearful of reprisals.

Again, as I indicated, this testimony was not considered for the truth of the matter, but in terms of the conduct that it caused on the part of Deacon Joe.

Deacon Joe likewise testified that he was intimidated by the Phillips family. He recommended to Dr. Dames, superintendent of the schools, and Reverend

Monsignor Thomas Nydegger, the vicar general and moderator of the curiae of the Archdiocese, that the Phillips family not be allowed to re-enroll S.P. and K.P. for the following school year.

Reverend Monsignor Nydegger acts as second in command in the administration of the ecclesiastical and secular activities of the Archdiocese. It is hardly unusual -- highly unusual for Monsignor Nydegger or Cardinal Tobin to be consulted about school decisions.

Both Dr. Dames and Monsignor Nydegger concluded that the actions taken by Mr. Phillips and Ms. Mullen escalating the lawsuit and by adding new claims against the Archdiocese, suing STS employees and volunteers — and this was more — I'm sorry. I take that back. This was more about Monsignor Nydegger's testimony, not Dr. Dames. And that suing 80 individuals for expressing their opinion was inconsistent with the Catholic mission of STS and undermined its pastoral objectives. He, therefore, recommended to Cardinal Tobin that he decide — that he endorsed the decision not to re-enroll S.P. and K.P. Dr. Dames, likewise, made such a recommendation.

Cardinal Tobin testified that he learned about the proposed expansion of the lawsuit. He also

learned from Sister Hélène of the incredible pressure she and faculty were under as a result of the conduct of the Phillips family. Cardinal Tobin stated that he did not know about the extent of the controversy at the school when he rescinded the February expulsion and at this later time, after the recommendation was made to him not to re-enroll, he -- he got -- he received much more information about what happened

At the time that Cardinal Tobin rescinded the expulsion, he assumed the expulsion was because of a dispute over basketball. He learned in the recent meetings that the problem was not basketball, but rather that plaintiff's actions had upset the tranquility of the school. When he saw the litigation expanded, Cardinal Tobin was astounded. He became aware of letters written by parents complaining about the Phillips family and came to understand the detrimental effect of the aggressive steps taken by Mr. Phillips and Ms. Mullen.

In reinstating the children earlier, it was Cardinal Tobin's aim that the children would be integrated in the school and everyone would move on. He was -- he felt that the profoundly expanded litigation was inconsistent with his decision to

rescind the expulsion.

earlier.

Cardinal Tobin does not get involved in day-to-day decisions of the Archdiocese school. He testified that it is impractical or impossible for him to oversee more than 90 Catholic primary and secondary schools. Therefore, there is a school superintendent, Dr. Dames, who oversee the operations.

Cardinal Tobin believed in making his decision, the peace and tran — that the tranquility and well-being of the STS community necessitated his decision. He indicated that the decision was not intended to be punitive and he was considering the well-being of the entire community. He emphasized that only a serious reason would get him to approve the decision.

On March 22, 2017, the Archdiocese issued a press release indicating a lawsuit had been filed against the Archdiocese and STS and they intended to defend, quote, "this baseless lawsuit," unquote. The statement was placed in the backpack of each student. Plaintiff and Ms. Mullen claimed that this -- the placement of the press release in the backpacks was an effort to target and embarrass their children. Archdiocese witnesses indicate that the statement was sent out to members who wanted to know how the issue

was being handled. The statement was also posted on the wall of the church, which the plaintiff and Ms. Mullen claimed was embarrassing and traumatizing to their children. However, other press releases were also posted in the church.

Further, more significantly, the Court is puzzled how Mr. Phillips and Ms. Mullen could not see that their escalation of this controversy would not generate a reaction. Defendants were in need to let the parishioners know how it will respond to a very controversial matter. Based on the credible testimony of Deacon Joe and Dr. Dames's sincere concerns about the uproar in the STS community, it is evident that the press release was aimed at letting the STS community know that the defendants would protect the members of that community.

It should be noted that Deacon Joe was forthright in his testimony and his testimony also indicated that he was visibly shaken by these events. He testified that in his many years as a school administrator he had not witnessed such an intense controversy.

Dr. Dames, a seasoned administrator with 30 years of experience, likewise testified her perception of the uproar caused by the Phillips family by writing

letters and expressions was the most extreme controversy she had ever witnessed.

On June 29, 2017, plaintiff filed a motion to compel defendants to re-enroll S.P. and K.P. at STS. A hearing was held before the Court on June 29th. After the hearing, the Court entered an order scheduling a plenary hearing.

On June 29th, the Archdiocese issued a press release referencing the motion and the attacks made by plaintiff and Ms. Mullen in the court papers.

On June 29th, the Archdiocese issued a further press release reflecting its disappointment of the scheduling of a plenary hearing and expressing optimism that it would prevail in defeating plaintiff's re-enrollment application.

The statements -- these statements were published in the Archdiocese bulletin. Plaintiff claims that publication of these documents, in which the Archdiocese publicly defended itself against the plaintiff action, re-victimized their family. Unfortunately, blinded by the desire to protect their children, the plaintiff and Ms. Mullen could only see their point of view and did not consider the reaction that their actions would cause. They also failed to see how the confrontational manner in which they

voiced their concerns would be perceived.

It is important to emphasize that the decision not to re-enroll S.P. and K.P. had nothing to do with the successful efforts of plaintiff to allow S.P. to play basketball for the team. That decision was a product of the controversy. And I will address that specifically later in my decision the reasons why I believe that the refusal to re-enroll the children was totally unrelated to the Court's decision on the basketball issue.

On June 11, 2017, Deacon Joe wrote a letter indicating that Saint Theresa's School fully agrees with and endorses the ecclesiastical decision regarding the denial of S.P. and K.P.'s re-enrollment for the 2017-2018 school year, as set forth in the April 3 correspondence written by Dr. Dames which indicated the children would not be re-enrolled. Both letters were sent to Mr. Phillips and Ms. Mullen.

The Court is convinced that Mr. Phillips and Ms. Mullen were attempting to act in their children's best interests. Unfortunately, Mr. Phillips and Ms. Mullen, out of love for their children, chose an extremely confrontational approach and did not evaluate the circumstances objectively. Sister Hélène, Deacon Joe, Sister Butler, and Dr. Dames all attempted

to respond to their concerns. Both Mr. Phillips and Ms. Mullen did not objectively absorb the efforts being made to address their concerns. They intensified, rather than resolved problems. In fact, many of the complaints they referenced were about previously resolved issues. Rather than moving on from resolved issues, they piled issues on top of resolved issues.

On April 3, 2017, as the Court indicated, an ultimate decision was made to decline to re-enroll them in the school. The STS community has about 80 families and about 200 students. The Archdiocese and STS determined the need to be mindful of the pastoral needs of the entire STS community. Defendants ultimately took steps to control the disruptive atmosphere that Mr. Phillips and Ms. Mullen created.

Now, I'd like to turn to the applicable legal principles. And to get to those, I also need to do somewhat of a -- some legal analysis.

On or about March 1, 2017, plaintiff filed an amended complaint. Thereafter, the Court directed plaintiff to amend and supplement its complaint to address the non-re-enrollment issue which came up after the filing of the amended complaint. As indicated previously, in that complaint plaintiff and

Ms. Mullen, who was to be added as a plaintiff, sought to add approximately 80 individuals, including STS employees, parents of STS students, and members of the STS community for expressing opinions concerning the lawsuit.

On April 3, 2016 [sic], Dr. Dames, superintendent of schools, wrote a letter informing Ms. Mullen and Mr. Phillips that K.P. and S.P.'s re-registration application would not be accepted for the upcoming 2017-2018 school year. Her letter states, as follows:

"Dear Mr. Phillips and Judge [sic] Mullen:
The Saint Theresa's School mission statement
provides Saint Theresa's School -- Catholic
School and the Archdiocese of Newark is dedicated
to the cultivation of academic excellence and the
spiritual social and emotional growth of each
student. Our school nurtures an environment of
cultural diversity in which a caring faculty,
through the implementation of the education
system of Saint John Bosco, based upon reason,
religion and love and kindness, seeks to develop
each student to his/her potential. With Christ
and Mary as our examples, the Saint Theresa's
community grows [sic] in a family atmosphere in

which each individual experiences respect, challenge, responsibility and exceptional love.

Actions and events initiated by you over

the last several months have directly interfered with the fulfillment of this mission, not only for Saint Theresa's School, but for also for its administrators, staffs, students and parents. In order to restore the promise of a 'family atmosphere' characterized by 'respect, challenge, responsibility and exception love,' Saint Theresa's School will not be able to accept enrollment for the 2017-18 school year.

The decision has been made in this time in order to allow sufficient time for you to make alternate arrangements for -- alternative arrangements for next year. We wish good luck with -- the children good luck with their future endeavors. Thank you."

And that is, I believe, J-3 in evidence.
The non-re-enrollment decision was made
after the February 22nd listening sessions and after
efforts had been made to return to a spirit of peace
and tranquility in the community. And the lawsuit
that ensued and the ongoing press coverage that was
generated upset that peace and tranquility.

Religious educational institutions have a constitutionally protected right to be free from civil court interference. This argument is rooted in the United States Supreme Court's decision in Watkins v. Jones, 80 U.S. 679 (1871). In Watson, the Supreme Court considered judicial involvement in a church's property dispute. The court was asked to determine whether a certain sect of the church had control over church property. The Supreme Court said that civil courts were not allowed to interfere in this property dispute and this case resulted in the following landmark principle. And this is a quote.

"All who unite themselves to such a body do so with an implied consent to this government, and are bound to submit to it. But it would be a vain consent and would lead to the total subversion of such religious bodies if anyone aggrieved by one of their decisions could appeal to the secular courts and have them reversed. It is of the essence of these religious unions, and of their right to establish tribunals for the decision of questions arising among themselves, that those decisions should be binding in all cases of ecclesiastical cognizance, subject only to such appeals as the organism itself provides

for."

And I believe that's from page 729 of that decision.

The rule announced by the court in <u>Watson</u> was, unless neutral principles of law apply, judicial decisions of ecclesiastical doctrine is banned under the First Amendment. The -- this rule was diluted in <u>Gonzalez versus Roman Catholic Archbishop of Manila</u>, 280 <u>U.S.</u> 1, where the court stated -- the Supreme -- the United States Supreme Court stated, quote:

"In the absence of fraud, collusion, or arbitrariness, the decisions of the proper church tribunals on matters purely ecclesiastical, although affecting civil rights, are accepted in litigation before the secular courts as conclusive, because the parties in interest made them so by contract or otherwise."

The -- this ruling was later modified by the Supreme Court in <u>Serbian Eastern Orthodox for the United States of America and Canada versus</u>
<u>Milivojevich</u>, 426 <u>U.S.</u> 696 (1976). In that case, the Court modified the way it looked at these cases and said, quote:

"Whether or not there is room for 'marginal civil court review' under the narrow rubrics of

'fraud' or 'collusion' when church tribunals act in bad faith for secular reasons [sic], no 'arbitrariness' exception -- in the sense of an inquiry whether the decisions of the highest ecclesiastical tribunal of a hierarchical church complied with church laws and regulations -- is consistent with the constitutional mandate that civil courts are bound to accept the decisions of the highest judicatories of a religious organization of hierarchical polity on matters of discipline, faith, internal organization, or ecclesiastical [sic], custom, or rule [sic]."

Essentially, that -- unquote. That's at page 713 of that case.

As a result, the Supreme Court eliminated the arbitrariness exception to the rule that civil courts are prohibited from adjudicating religious disputes. The Court has not revisited whether ecclesiastical -- whether civil courts can review ecclesiastical decisions for fraud or collusion, but they can't review them for arbitrariness. That's what the case says.

Since then, there has been further litigation about this issue before the various circuit -- federal Circuit Courts of Appeals and in many state

courts. A split of authority has developed with respect to state breach of contract and tort claims. Some courts have held that if an ecclesiastical issue underlies some of the claims, such a breach of contract claim, all of the claims should be dismissed, thereby precluding civil courts from exercising jurisdiction over any of those claims. Gaston versus Diocese of Allentown, 712 Atlantic Second. 757, which is, I believe, a Pennsylvania Supreme Court case from 1998.

In that case, students at a Catholic school were expelled. The archdiocese and the -- were -- were sued and the principal were sued in tort for negligence and intentional infliction of emotional distress. And the court dismissed the complaint on jurisdictional grounds, stating that the action was an attempt to involve civil courts in an ecclesiastical custom or rule, as upheld by the bishop of the Roman Catholic Church.

There are cases in which personnel decisions can be reviewed by civil courts and there are cases where an employment matter can be looked at as a secular matter. One of such cases is <u>Scharon v. Saint Luke's Episcopal Presbyterian Hospitals</u>, 929 <u>Fed. Second</u> 360 (8th Circuit 1991).

In this case, there are two counts in the amended -- in the third amended complaint which survived the motion to dismiss. The second count indicated that the defendants, Archdiocese and STS, in refusing to re-enroll the children were in breach of contract, it violated the handbook. And that count eight of the complaint indicated that they were wrongfully and improperly expelled in April 2017 in retaliation for the verified complaint, and in breach of contract, and that they also waived the provisions of the handbook.

The case law throughout the country seems to support the notion that Catholic high schools for the most part should be -- that their ecclesiastical decisions should be followed. Following -- and recently, the -- there is a Pennsylvania case, Chestnut Hill College v. Pennsylvania Human Relations Commission, 158 Atlantic Third 251, which is a decision made by the Commonwealth Court of Pennsylvania on April 7, 2017. In that case on page 259, the court stated as follows:

"Following Lemon versus Kurtzman, 403 U.S. 602 (1971), this Court was persuaded that parochial high schools were an integral part of the Catholic mission, as 'a powerful vehicle for

transmitting the Catholic faith to the next generation.' In so doing, we emphasized that the religious" --

And in that case, they cited from Roman Catholic Archdiocese versus Pennsylvania Human Relations Commission, 548 Atlantic Second 328, which is also a Pennsylvania Commonwealth decision from 1988. It went on to say that:

"In so doing, we emphasized that the religious character of the parochial school -- schools based on" -- "they [sic] emphasized the religious character of parochial schools based on several factors. They [sic] noted non-Catholic students were required to take religious [sic] classes and to attend Catholic services as a condition of attending [sic]. We reasoned that 'parochial schools constituted an integral part of the religious mission of the Catholic church and this process of inculcating religious doctrine, is, of course, enhanced by the impressionable age of the pupils, in primary schools particularly."

And in the <u>Chestnut Hill</u> case, the court indicated that the principles relating to Catholic high schools did not apply to colleges, but in drawing

the contrast between these two organizations, they -the court said that, while there are material differences between parochial primary and secondary schools and college:

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First, parochial schools educated children, not students who typically reach the age of majority, such which is the case with colleges.

Second, parochial schools were governed and operated by the Roman Catholic Archdiocese of Philadelphia, college is by one-fifth, plus one, comprised of the Sisters of Saint Joseph's.

Third, Catholic instruction was a required part of the curriculum at the parochial schools and attending Catholic classes and masses was a condition of attending the schools. College, by contrast, does not require attendance at religious services and religious instruction is available, but not required.

And the essence of the reasoning of that case and of other cases is that Catholic high schools, because they are unique in their mission, are of a religious nature.

The establishment clause of the First Amendment provides that Congress, quote, "shall make no law respecting an establishment of religion." Pursuant to Lemon versus Kurtzman, 403 U.S.

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602 (1971), the stated action must have -- must (1) have a secular purpose; (2) have a primary effect that neither advances nor inhibits religion; and (3) not foster excessive government entanglement with

With respect to this third criterion, the religion. determination of whether there is excessive entanglement with church and state is conducted through both substantive and procedural context.

Substantive entanglement -- McKelvey v. <u>Pierce</u>, 173 <u>N.J.</u> 26, 41 to 42 (2002). Subjective [sic] entanglement occurs when courts intrude into a church's freedom to select, discipline or terminate its ministers. Procedural entanglement occurs when the state and church are matched against each other in a protracted adversarial proceeding. Procedural entanglement recognizes a church's substantive freedoms and the impact of judicial intervention, including extensive oversight of church activities. In her letter, Dr. Dames articulated that

the re-enrollment decision was made for religious reasons. This Court does not have the authority to meddle in that decision, as it was based upon ecclesiastical considerations. Cardinal Tobin testified he was the ultimate decision-maker of the

non-re-enrollment decision. He made that decision because he felt it was necessary to restore the peace and tranquility of the school community, an ecclesiastical decision made for the benefit of achieving the school's mission.

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In making this decision, he had the input of Dr. Dames and Reverend Nydegger. These trusted administrators consulted with him in making this decision for faith-based reasons. As discussed earlier, he explained his faith-based rationale at trial. On cross-examination, plaintiff's counsel asked Cardinal Tobin if he was aware of the sexual issues and the alleged harassment and bullying, harassment and -- and the harassment and intimidation of S.P. A number of these issues were resolved prior to Dr. Dames meeting with Cardinal Tobin, albeit not to Mr. Phillips' and Ms. Mullen's satisfaction.

If Cardinal Tobin did not make his decision on correct information, plaintiffs' remedy would be to go back to Cardinal Tobin as reflected in the handbook, J-3. Specifically, the handbook states on page 16 that with respect to an appeal to an expulsion decision, quote, "The written request must be made to the principal within five business days from the date of official communication by school administrators of

the disciplinary decision. Failure to request a hearing within these five business days forfeits the right to a hearing," unquote. And this is in the expulsion section of the handbook. This faith-based decision was made by church officials, and any appeal of that should have been made to church officials, not to this Court.

Plaintiff cites no case law which would allow this Court to interfere with the church's ecclesiastical mission. The Court knows there's no case law that would give this Court the authority to intrude upon such a decision because the ecclesiastical decision-maker did not know all the facts which plaintiff wanted the decision-maker to know.

The Court would be remiss if it did not emphasize that the plaintiffs' 2016 issues were resolved as to sexual misconduct and bullying, thus, plaintiffs' position, to the extent that it raises these issues time and again, seems to serve little purpose. While plaintiff and Ms. Mullen feel bullied and harassed by the reaction of the St. Theresa's community by posting the online petition, Facebook posts and the like, they ignore that they chose to air this matter out publicly. They now complain about the reaction it has caused.

Cardinal Tobin, Reverend Monsignor Nydegger, Dr. Dames, Principal Deacon Joe, and former principal Sister Helene testified credibly that their efforts were rooted in an effort to maintain peace and tranquility in the faith-based community. Dr. Dames wanted to stop this controversy on all sides, and on February 22nd she met with everyone, including Ms. Mullen, for that specific purpose. Plaintiff chose to pursue their grievances aggressively and in the most confrontational manner. The church officials' decision was based in attempting to restore its faith-based mission, the faith-based mission of its community. The Court does not have the jurisdiction to question these faith-based decisions.

This Court's view of this matter is supported by a number of out-of-state cases, various out-of-state cases. For example, in <u>Calvary Christian Schools v. Huffstuttler</u>, 367 Arkansas 117 (2006), a student was dis-enrolled from a religious school due to the actions of his parents. The Supreme Court of Arkansas held that the Court were without jurisdiction to rule on any of these claims arising out of this enrollment. Specifically, the Court found that this enrollment was due to the parents' failure to comply with Matthew 18 principles in the school's handbook.

The reasons included in the dis-enrollment letter reflected the school's ecclesiastical philosophy. The Court held that any and -- claims arising out of a dis-enrollment would therefore require the Court to determine whether the plaintiff -- the plaintiffs did or did not comply with Matthew 18. This Court dis -- therefore, the Court dismissed the claims for lack of jurisdiction. In this case, the decision was based upon following the educational system of Saint John Bosco, based upon reason, religion, and loving kindness, and on the philosophy imparted upon the Catholic-based community by Christ and Mary, and that is not a decision for this Court to make.

Likewise, in <u>Gaston v. Diocese of Allentown</u>, which was discussed earlier, 712 A.2d 757, Pennsylvania Superior Court 1998, a Catholic school expelled the plaintiff's son and daughter after the principal felt threatened during an interaction with the plaintiff's father regarding a curriculum dispute. The plaintiffs brought the claim intentional and negligent infliction of emotional distress. The Court held, quote, "The question here, however, is not a property or contractual dispute. It is a claim that hits a tort law but is based upon an expulsion decision. Ratified

by the Bishop, it is our opinion not receptive to application of neutral principles of law. The Catholics' disciplinary code and review of expulsion involves matter of church doctrine." Likewise, in this case, the expulsion decision involved matters of church doctrine.

Similarly, in <u>In re St. Thomas High School</u>, 495 SW.3d 500, Texas Appellate Court 2016, a Texas appeals court ruled that the Court lacked jurisdiction to hear a case whether parents of a student's alleged sexual harassment against their son's teacher along with other highly charged, slanderous accusations after a dispute over a low grade. The school investigated and found the claims to be unfounded, and the parent later admitted they were unfounded.

As a result, the school expelled the child because it would have been impossible -- difficult if not impossible for the teachers to educate the student without fear of similar retribution by the parents. The parents then sued for breach of contract, specific performance and injunctive relief. The Court determined the decision was a result of a Catholic school's management of its internal affairs and held, quote, "If judicial resolution as a claim will interfere with a church's management of its internal

affairs or encroach upon the church's internal governance, the Court may not exercise jurisdiction over the claim."

It bears emphasizing in this case that the children in this case were expelled because -- not because of their conduct but because of the conduct of their parents, which interfered with the mission of the church, and this Court is not authorized under law to meddle in such activities.

In addition to the ecclesiastical reasons, which standing alone would be a sufficient basis for this Court to deny the request to rescind the non-reenrollment, there are also secular reasons to do this. Either of these reasons on their own would be independent reasons to uphold the non-re-enrollment decision. Plaintiff seeks an order compelling the reenrollment of S.P. and K.P. for the academic year commencing September 6, 2017.

In the third amended complaint, the factual basis for this request is made starting with paragraph 88 of the amended complaint. The complaint reads as follows: 88. On or about January 2017, after this lawsuit was pending, plaintiffs were invited to return to STS and were given registration packets for the 2017/2018 school year. On or about February 17, 2017,

and after the expulsion was rescinded, the Court ruled that S.P. had the settled legal right to play basketball.

On or about March 22, 2017, STS handed every student another press release from defendant Archdiocese regarding the instant lawsuit. This press release — in 91 — this press release was also published and remains on the Archdiocese website and was done to intimidate, bully, harass, shame, humiliate, and/or embarrass the plaintiffs and were retaliatory.

92. Plaintiff, S.P. and K.P. registered for the 2017/2018 school year. 93. The registration application was rejected by STS by a letter dated April 7th, 2017, and received by Scott Phillips on April 11th, 2017, stating in pertinent part, quote, "Your registration is being returned to you pursuant to the letter which you received most recently by certified mail," unquote.

94. The letter in question was sent by the Archdiocese months after the lawsuit was pending, and it refers to the mission statement in the STS handbook and states in pertinent part, "Actions of -- and events initiated by you over the past several months have directly interfered with the fulfillment of the

mission, not only for St. Theresa's School, but also for many of its administrative staff, students, and parents," unquote. 95. No specific actions are described. 96. The only actions taken by plaintiffs were to file the instant lawsuit and amendments to same.

97. These letters by the Archdiocese, church, and/or STS, after the Court ruled that S.P. would -- had settled legal rights to play basketball and among other things after the Court ruled, that the settled legal right arose under Title IX.

98. Defendant, Archdiocese, church, and/or STS, by waiting months before sending this April letter and by inviting K.P. and -- S.P. and K.P. to return, waived its right to refuse admission to S.P. and K.P. for the 2017/2018 year. This April letter from the Archdiocese is another form of expulsion for filing the instant lawsuit, which violates public policy despite the fact that there is no mention of expulsion in the letter.

In count two of the complaint, it is alleged that the defendants Archdiocese and/or STS, in refusing to properly address the issues raised by plaintiff and by expelling S.P. and K.P., are in breach of contract and/or in violation of the provisions of the STS

handbook and have acted in bad faith. That count asks for specific performance, monetary sanctions, and other relief.

Paragraph eight of the complaint indicates that the Archdiocese and/or STS improperly expelled S.P. and K.P. in -- (who was not a plaintiff in this action at the time in February 2017), close parentheses, and again, in April 2017, in retaliation for filing the verified complaint and are in breach of contract. Defendant also waived the provision in the STS handbook, and this provision is against public policy. And this count also seeks specific performance and damages.

Plaintiffs' application essentially seeks an injunction for specific performance of an agreement to re-enroll the children. Equitable relief in the form of a permanent injunction is an extraordinary remedy. Quote, "Permanent injunction requires proof that the applicant's legal right to such legal right has been established and the injunction is necessary to prevent a continuing irreparable harm," Verna v. Links at Valleybrook Neighborhood Association, 371 NJ Super. 77, 89 (App. Div. 2004).

"Whether a permanent injunction should be granted is within the sound discretion of the trial

court," Sheppard v. Township of Frankford, 261 NJ Super. 5, 9 (App. Div. 1992). "Such relief, though, must not be more extensive than is reasonably required to protect the parties' interest in whose favors it is issued," Verna v. Links, 371 NJ Super. at 89.

An injunction — the circumstances in which an injunction may be issued is discussed extensively in Van Name v. Federal Deposit Insurance Corporation, 130 NJ Eq. 433 (Ch. Div. 1941). Although this case is an old case, it sets out time-honored precepts which have been followed by this Court and other courts of equity. At pages 442 to 443, the Court lays out the following principles.

An injunction is not granted as a matter of right, but is -- its granting or refusal rests in the sound discretion of the Court under the circumstances and the facts of the particular case. It is a strong arm of equity. There is no power the exercise of which is more delicate, which requires greater caution, deliberation, and sound discretion, and which is more dangerous in a doubtful case than the issuing of an injunction.

The remedy of an injunction is an extraordinary one and may not be awarded to any suitor unless and until his right to it is established by

clear and convincing testimony free of all reasonable doubts. If the complain -- a complainant's asserted right is doubtful or disputed, equity will move cautiously before determining to grant remedy by injunction.

In determining an application for a permanent injunctive relief, the Court should be guided by the following comprehensive list of factors, and in this case some of these factors but not all of them applied to this case. Those factors set forth in the Sheppard case are, one, the character of the interest to be protected; two, the relative adequacy of the injunction to the plaintiff as compared to -with other remedies; the unreasonable delay in bringing the suit for any unrelated misconduct by plaintiff by the comparison of the hardship to plaintiff if release is denied and hardship to defendant if relief is granted; six, the interests of others, including the public; and seven, the practicality of framing in order for judgment, Sheppard, 261 NJ Super. at 10, reciting the restatement of 27.

In this case, the plaintiff seeks, in paragraphs two and eight, specific performan -- a decree of specific performance of the -- of what they

perceive to be the right to re-enrollment. In the --granting specific performance by a decree of injunction is also addressed in Van Name v. FDIC, 130 NJ Eq. 433 at page 443. There, the Court says an injunction to restrain a breach of contract often operates as and affects all the purposes of a decree for a specific performance. As a general rule, to enjoin one from violating a contract is an indirect method of enforcing its affirmative provisions. The jurisdiction exercised in the substance is the same, and the general rules apply in one case as the other.

Courts of equity will not interfere to decree specific performance except in cases where it would be strictly equitable to make such a decree. The power of injunction committed to this Court is a delicate and a most important power and should always be exercised with caution, to prevent, not to do mischief, to protect and sustain, not to render enjoyment of property, of rights in property which are uncertain.

Specific performance is a discretionary remedy resting on equitable principles and requiring the Court to appraise the respective conduct of parties, Friendship Manor, Inc. v. Greiman, 244 NJ Super. 104, 113 (App. Div. 1990), cert. denied 126 NJ

 321 (1991). Thus, it is explained by the Supreme Court in Stehr v. Sawyer, 40 NJ 352, 357 (1963), that the party asking the aid of the Court must stand in conscientious relation to his adversary. His conduct in the matter must be fair, just, and equitable, not sharp or aiming at unfair advantage. The relief itself must not be harsh or oppressive. In short, it must be clear that the claim is an equitable one.

Here, the Court cannot ignore the conduct of the defendants. The defendants, as previously stated by the Court, decided to make -- take the most confrontational approach, an approach inconsistent with the goals and objectives of the -- a faith-based community. They made the affirmative choice to go to the press and to make this matter public. They made the affirmative choice to sue 80 -- more than 80 individuals in a community that has approximately 80 families.

And their actions are harsh and oppressive, and they are not entitled to specific performance. And there is no automatic right to specific performance. The -- a court must make a complete evaluation of the complaint, of the claims asserted, the defenses raised, the hardships imposed on the parties, the fairness and reasonableness of both

parties' conduct, and the availability of other remedies before determining whether to grant such relief, Marioni v. 94 Broadway, Inc., 374 NJ Super. 588, 598 to 99 (App. Div. 2005), cert. denied 183 NJ 591 (2005). And quoting from that case at that page, in general, to establish a right to the remedy of specific performance, a plaintiff must demonstrate that the contract is valid and enforceable at law and that an order compelling specific performance will not be harsh or oppressive.

In Cohen, Estate of Cohen ex rel. Perelman v. Booth Computers, 421 NJ Super. 134, 149 to 50, (App. Div.), cert. denied 208 NJ (2011), the Court stated, quote, "To establish a right of specific performance, the party seeking relief must demonstrate that the contract in question is valid and enforceable and that the terms of the contract are clear."

Here, there is no binding contract between the plaintiff and the defendants for the 2017/2018 school year. Thus, because there is no contract, there is no legal contractual right to specifically enforce. Plaintiffs do not cite -- plaintiff does not cite any case which requires defendants to enter into a new contract for the 2017/2018 school year to educate S.P. and K.P. Defendants have refused to enroll S.P.

and K.P. for the next academic year starting September 6. This Court cannot specifically enforce a contract, because there is no contract to enforce. Even if a contract could be found by a review of the 2016/2017 student handbook, no enforceable right for reenrollment could be developed based on that agreement under the facts of this case, and I will explore that next. It should be observed at the outset -- okay, that's fine. That's all I need.

THE CLERK: Okay.

THE COURT: It should be observed at the outset that the children were re-enrolled not because of the conduct -- of their conduct, but because of the conduct of their parents. There is no dispute that the children's behavior in any way caused the non-re-enrollment decision. An examination of the contract demonstrates that there are several provisions which give defendants the right not to re-enroll S.P. and K.P.

In analyzing this principle, the Court first turns to the fact that there is an acknowledgment and receipt of the parent student handbook by Mr. Phillips. In that acknowledge -- in that acknowledgment, Mr. Phillips acknowledged that the handbook is binding on students and parents during the current academic year.

Thus, the terms of this contract were binding on him and he agreed that that would be the case. He further signed the statement saying I understand my responsibility to support the school policies it has established.

Looking at the contract itself, the contract states -- the handbook states on page 14, "Actions that violate the law, threaten or cause harm to another student or staff, disrupt or impede the welfare and progress of the school community, or bring discredit to the school will not be tolerated."

Clearly, there was an agreement. Although it applied students, it certainly is a fair implication applied to parents that they would not disrupt or impede the welfare and progress of the school community and the publicity, which was started with Mr. Kernan, and which no one has -- no one in this case has testified in any way that the defendants did anything to encourage this publicity. Deacon Joe specifically testified they didn't, and the -- but those wheels were set in motion by the plaintiffs, and the plaintiffs also chose to appear publicly in various media outlets, making their children available for such interviews. And thus, at least in the minds of the school community -- and it's in letters, it's

in the petition which the plaintiff put in evidence, and in other documents, that this generated a concern on the parents' behalf that it was interfering with the school's mission and it was disrupting the school.

The further disruption of -- which caused further controversy is suing 80 individuals in the school community also. While it's -- certainly, an individual has the right to sue, lawsuits can have consequences, and there is no case law that says that I -- that this Court knows of that seeking damages from 80 individuals in the school community would not -- could not result in some kind of reaction to that if it creates an uproar in that community.

The handbook goes on to say on page 14, "If a student's behavior is generally disruptive or -- and uncooperative, it will be necessary to ask the parents to choose another school for the child. We cannot sacrifice the education of the whole class because of the disruptive behavior of one student. And the same would apply as to the disruptive behavior of parents.

Now, in this case there is a continuum of conduct with meetings with various school individuals, Sister Helene, Deacon Joe and others where they were shaken by the aggressive conduct of the plaintiffs. So there were actions far beyond just the publicity

that caused this. And one only need to look at the letters written by Ms. Mullen which threatened time and time again that if she didn't get her way, that there would be consequences. And those -- the tone of those letters, as well as the tone of Mr. Phillips' meeting with Sister Helene when he was very confrontational with her, was to control the situation.

One has to wonder why it was so important for an eighth grader to be valedictorian of the class that you would upset several people in the school community over this issue. And while it was all framed in terms of giving closure to B.P. that's disingenuous. It's just plainly disingenuous, all of which has to weigh in the decision.

And what's most important of all is that, if you turn to the statements of Cardinal Tobin, what he was ultimately concerned about -- and he was the ultimate decision-maker -- he was concerned about the peace and tranquility of the community being upset, and he had to make a difficult decision, one family which was disrupting the community versus the welfare of the entire community. And this Court is not -- even on a secular basis, that is a matter within the discretion of the school.

There are other provisions in the handbook that likewise apply. The handbook goes on, on page 14, to say, "It is expected that the judgment of school authorities concerning the discipline of the students will be respected and supported by parents and guardians." The decisions of this school were not respected by parents and guardians. In fact, rather, they were met with letters threatening consequences if the decisions weren't changed. It wasn't enough to discuss them, and there were many times when a discussion led to a change, but if the discussion turned out the way that these plaint — that Mr. Phillips or Ms. Mullen didn't like, then the individuals who made those decisions were threatened.

The handbook goes on to say, quote, on page 14 -- I'm quoting this -- "If conflict arises, parents and guardians are expected to discuss the problem privately, and those concerned, and not in front of students or other parents or guardians." Here, it was more than just private. There was an airing out of this matter in the press and making very public, which was contrary to the faith-based purpose of this school educating Catholic youth.

Turning to page 16 of the handbook, with reference to expulsion, the handbook says, "Expulsion

is a permanent removal of the student from school. However, if in the sole determination of the school a student's conduct or activity reflects such grave discredit on the school or otherwise presents a definite impediment to the welfare and progress of the school community, the student may be expelled without the school's having taken prior disciplinary measures."

In this case, while the actions weren't by the student, those concepts apply equally to the parents, and these parents — these issues were so grave in the judgment of the school, in the judgment of Reverend Monsignor Nydegger, Dr. Dames, Sister Helene, Deacon Joe, and ultimately the Cardinal, that they had to take steps. And, as I indicated earlier, there was an appellate mechanism in the handbook. So from a procedural basis, the plaintiffs waived that process and did not exhaust the remedies.

Because in that paragraph, it says, quote,
"A written request must be made to the principal within
five business days from the date of official
communication by the school administrators of the
disciplinary decision. Failure to request a hearing
within these five business days forfeits the right to
a hearing." So, and that is in the expulsion
paragraph. So they forfeited their right to a hearing

under the terms of the contract which the plaintiffs want to enforce. So even if that is a contract, they don't have any contractual rights. And even if they do have the rights, they have violated numerous portions of the contract.

The contract also indicates at the very beginning in the purpose and use of this handbook, states specifically, "The principal has discretion to take actions other than those specified in the handbook." So the principal would have the power to recommend expulsion based on the conduct of the parents because this — the handbook itself is — provides him with such discretion. So when viewed from a contractual perspective, just looking at the very terms of the contract itself, there is a contractual basis for the non-re-enrollment, if one was required.

The plaintiff has taken the position that there was a pretext, there was a smokescreen, that the -- this decision was made because of basketball, because of bullying and harassment and intimidation of the plaintiffs and the children and Ms. Mullen, and this Court is persuaded, and I can't emphasize this enough, that the decision to not re-enroll the children has nothing at all to do with basketball. It

is plainly not related. And I'll give that reason in a moment.

But in order to get to that decision, I need to break down the events in this case into various phases, because I think by looking at the phases one by one it allows better analysis of the circumstances. The first phase is the phase prior to any controversy regarding basketball, and in that phase there were issues about the alleged inappropriate sexual behavior which was addressed, the substitute teacher that was addressed, the issue with a gun which was addressed, and the valedictorian issue, which was addressed but not to the satisfaction of the plaintiffs.

But everything doesn't have to be to the plaintiffs' satisfaction. Somehow there's a suggestion if it's not the plaintiffs' way, it's not the right way. And that's not the way any institution has to operate. The second phase is the basketball phase. The -- in the basketball phase the action was taken by Mr. Donovan as commissioner, and there is no doubt that there was a certification filed, which was wrong. It was false. But that did not have a bearing on this hearing. I don't -- and there should not be confusion between the two.

I don't know why Mr. Donovan gave false

testimony. That's not an issue in this case. He did give false testimony, and this Court took action because of it and change -- as the Court originally would not allow S.P. to play basketball, when it got the correct information, this Court allowed her to play basketball. So that problem was remedied. But then in that time, this Court -- Mr. Phillips made the decision that he had an interesting human interest story and he wanted his side to get out publicly. To this -- at this time, I still don't understand why he had to get it out publicly. He didn't even tell the Court why it had to be gotten out publicly in a news story.

This Court can certainly say that its decision would not be affected by the press, because this Court only makes decisions based what -- on what's presented to it in this courtroom. And when it was told -- when this Court learned in this courtroom that there were other girls playing on boys' teams, this Court didn't need to know anymore and was able to make its own independent decision with the facts. And that's how this Court's supposed to decide cases, on the facts that occur in this courtroom.

So the Court has not had it explained to it why this had to be aired out publicly. And given the

nature of the various letters that were written by Ms. Mullen threatening the school, it at least seems that the argument that the public attention was done for leverage, because there has been no other applic -- explanation. But if you link those letters or the publicity, it leads to an inescapable conclusion.

The next phase was the expulsion and reinstatement. The expulsion letter came out on February 1. The Appellate Division ordered the reenrollment of the children, I think it was on February 2. It may have been the first. A press release was issued by the Archdiocese on that day, saying that they had the right to expel under the terms of the handbook for bringing litigation. Ultimately, that issue was sent back to this Court.

But what is significant is even while the basketball issue was pending before this Court, regardless of how it was decided, Cardinal Tobin ordered the children be re-enrolled in the school. So it had nothing to do with basketball, because if Cardinal Tobin was concerned that the pending motion about basketball was going to be decided, he wouldn't have re-enrolled the children. So it totally escapes the Court and defies the Court's imagination how, in the slightest way, the decisions that were made by

Cardinal Tobin could have been related to the basketball. In fact, he did the opposite. When he found out that there were girls playing on a boys' team, he said, "I don't want the league games forfeited." So that argument is just not supported by the record.

So then, when the children returned to school -- and this is probably the most significant phase to me -- there was an immediate uproar at the school. There were Facebook posts, there was the online petition. There was a fair amount of discord and upset in the school community because of all of what individuals in the school viewed as negative publicity.

This Court would be the first to acknowledge that not everyone joined in the sentiments of those individuals who felt that the Phillips family went too far. There were families who supported the family, and there was a witness before this Court, although I didn't accept his testimony, was clearly supportive of the family. And I accept the fact that there were families that supported the Phillips family. Ms. Mullen testified about those families, and that does strike the Court as being believable.

But the one inescapable conclusion for the

Court is that this was a very polarizing event. And the polarizing event became worse when 80 individuals in the school community were sued. But that didn't happen — the context in which that happened is very important. When the children returned to school, the Court, two days after Cardinal Tobin made the decision on the 15th to avoid this Court making any decision on the — on whether the expulsion could stand or not, he said — essentially said to this Court, "You don't have to bother. I'm going to let them stay this year." This Court then, on the 17th, two days later, made the decision to let S.P. play basketball on the boys' team.

Dr. Dames -- and this is the most significant event to me, most significant of all -- Dr. Dames scheduled a series of listening sessions with STS parents on February 22. Those listening sessions were scheduled for five days after this Court made its decision on the basketball. Now let's look at what Dr. Dames wanted to do with those listening sessions. Did she want to kick the Phillips family out? No. She wanted to do the opposite. She wanted everyone in the community to stop attacking each other. She specifically told -- five days after the basketball decision, she told parents, "Don't post on the online

She told parents, "Don't make the Facebook posts."

So the idea that this had anything to do with basketball is derailed by the very conduct that was taken. At those meetings, and Ms. Mullen attended the first meeting, Dr. Dames said, let's move on, let's move back to peace and harmony and tranquility. Let's make this the same faith-based community that's made this a wonderful place for all the children. Let's make it, continue -- these are my words, not hers. But let's continue to make it this wonderful community that the children can enjoy and thrive in and get the benefit of the faith-based mission that we have.

petition." Teachers were forbidden from posting on it.

So what happens the next day? What happens the very next day? The very next day, Ms. Mullen hand-delivers to the Cardinal a letter saying, if you don't meet with me in six days, I'm going to sue the -- I'm going to sue everybody. So you've got six days, Cardinal. Now, you know, not taking into consideration how busy his schedule is and the responsibilities that he has for somewhere in the neighborhood of 1.3 to 1.6 million Catholic lives. To demand that the Cardinal meet with her in six days or it -- or a lawsuit would be filed is relevant to the Court in the sense that it is a reflection of an overly aggressive approach where

a family has a range of alternatives to solve a problem and they choose, of all the range of alternatives, the most controversial, the most incendiary alternative.

Now, I'm mindful of the fact that the Cardinal did not get that letter, did not see that letter. But it bespeaks an intent and a purpose by the -- by Mr. Phillips and Ms. Mullen. And this case is all about stopping that intent and purpose. Then, six days later, the lawsuit was filed, on March 1, as promised. 80 -- more than 80 individuals in the community were sued in this very small community, creating a further uproar.

At that point, Reverend Monsignor Nydegger, who doesn't function in this area, he doesn't oversee the schools, he's got a lot more responsibility, starts paying attention to this and comes to the conclusion that this is a threat to the mission of the community, and that's one of his central purposes as vicar general and -- and I might get this wrong because I'm doing it from memory -- keeper of the curiae. But he's got this religious mission that he's trying to make certain will be honored by the community. And for that reason, for those faith-based reasons he testified about why he got involved. Dr.

Dames was likewise motivated by that, and certainly the Cardinal's testimony cannot be refuted, that that is -- that he felt he had to react.

 But the point is that if they wanted to do it for these reasons, the Cardinal wouldn't have reinstated and Dr. Dames wouldn't hold the meeting to calm everyone down to get to the sense of community. But essentially, what the Phillips family did by writing a letter the next day and suing a few days letter is saying, "We're not interested in calming things down. We're going to keep the controversy going." So, and I think the tone is what's important to look at. Not the substance, the tone.

Now, there has been discussions during this case that the plaintiff has taken the position that the expulsion letter, which was written by -- or the non-re-enrollment letter, which was written by Dr. Dames, is not proper because the Archdiocese does not have standing. The testimony of Monsignor Nydegger, of Dr. Dames about ACES, about the nature of the agreement between the Archdiocese and how they oversee the community of -- does this individual need some water? Ask him if he needs some water.

UNIDENTIFIED SPEAKER: Oh. Oh, no. Thank you, sir. Sorry, Your Honor.

THE COURT: you want to get him some water? Somebody get him some water. You --

Anyway, so the ACES agreement gives authority to the Archdiocese, the courts consider. But even if ACES doesn't, there's a superintendent of schools, there's a structure, it's a de facto structure. To say that that's not the structure is to defy reality.

But in an abundance of caution, this Court had that letter written by the -- asked that a letter be written by the school to verify that this had the school's endorsement, and such a letter was written. I've gotten and I received an objection to allow that change many times in this case, and I indulged the plaintiffs on a number of issues so that I could get to the substance of this case and I'd get to the merits.

Certainly, I overlooked the -- on a few occasions their non-cooperation in depositions. I allowed the initial order to show cause to be amended without the necessity of further papers, and did other things to accommodate the plaintiffs. And so I've been criticized for giving the same consideration to the defendants, but I always tried as best I could to be fair to everybody, and I've said that several times.

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                  MR. WESTRICK:
                                 Judge, would it be possible to
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       take five minutes before we continue?
                  THE COURT: Yeah, we can. I'm not that far
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       from being finished --
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6
7
                  MR. WESTRICK:
                                  Okay.
                  THE COURT: -- but we can take five minutes.
                  MR. WESTRICK:
                                 Thank you very much.
 8
                  THE COURT: That's fine. Okay, I'll be back
 9
       in five minutes and I'll --
10
                  MR. WESTRICK:
                                  Thank you, Judge.
                  THE COURT: -- I'll wrap up then.
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12
             (Off the record from 4:32 p.m. to 4:43 p.m.)
13
                  COURT OFFICER:
                              ER: Okay, everyone can be seated. So we're back on the record in
14
                  THE COURT:
15
       Phillips v. Archdiocese of Newark, C-248-16.
16
       hopefully now finish my opinion. And I only have a
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       court reporter until six o'clock, so I need to try to
18
       get this done. So I think that the principal last
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       remaining issue is the issue of due process.
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                  In <u>Hernandez v. Don Bosco Preparatory School</u>,
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       322 NJ Super. 1 (App. Div. 1999), plaintiff was a
22
       student at Don Bosco Preparatory High School, a private
23
       Catholic boys' school in Ramsey. The student was
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       expelled for alleged misconduct which violated the --
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       the student was expelled for alleged misconduct which
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violated the student-parent handbook while the plaintiff was on disciplinary probation. The misconduct included vandalism of a teacher's home, slashing of a teacher's tires, making prank calls to a teacher, allegedly selling illegal steroids, and allegedly urinating in a student's locker.

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The plaintiff, who was the student, and his parents met with the Don Bosco administration to discuss these incidents. Thereafter, the Don Bosco disciplinary committee convened to review the matter and agreed that the student should be dismissed after seeking an appeal. The Don Bosco representatives met again and plaintiff was asked to withdraw, and a letter was written to that effect.

In <u>Don Bosco</u>, the Court established a two-prong fundamental fairness test which private high schools must follow when expelling students for misconduct. One, the private high school must adhere to its own established procedures for dismissal, and two, in executing the dismissal, the school must follow a procedure that is fundamentally fair, <u>Don Bosco</u>, 322 NJ at 31 to 21.

In <u>Don Bosco</u>, the procedure that was followed was a series of various meetings with the student and the administration, and then a committee meeting of

various representatives of the school and then with the appeal, a further meeting of that committee. There was not a trial-type hearing where witnesses testified, and that kind of hearing, which is akin to the kind of process in this case, was found to be proper and to be a proper hearing, and it was also found to be fundamentally fair, as I indicated earlier.

The parents aren't entitled to a hearing under the student handbook. There is nothing in the handbook that entitles the parents to a hearing for their conduct. And certainly, there are cases, both in the ecclesiastical decisions, and I'll deal with a secular decision in a moment, which -- fourth court, fourth state -- which says that the parents -- the expulsion based on parent conduct is not reviewable, and doesn't require -- essentially, require due process.

But even assuming that due process was required, there was certainly a fair hearing of the Phillips family grievances. I've gone through all those various meetings with Deacon Joe, Sister Helene, Dr. Dames, Sister Butler. They were able to talk to people at all levels. The -- there was a further meeting, and I realize others attended the meeting, but there was a meeting that Ms. Mullen attended where Dr.

Dames asked everyone to restore the community to peace and tranquility, and in effect that request was ignored.

And I think it's important, and probably the most important part of this, what Dr. Dames said is that the subsequent filing of the litigation showed that with respect to the continuum of conduct that the Court has addressed in its opinion, that it wasn't going to change. And since it wasn't going to change, the decision had to be made for the benefit of the entire community. And this decision had nothing to do with the children. It was all because of the parents.

So, essentially, Dr. Dames' efforts to restore peace and tranquility in the community fell on deaf ears. You know, Dr. Dames was concerned that the spiritual aspects of the community were being destroyed. And she wanted everyone, not just the plaint -- Mr. Phillips and Ms. Mullen, but everyone in the community, to stop.

And in terms of fundamental fairness, everything has been heard. But assuming that for the sake of argument due process was not totally followed, there was an appellate mechanism in the handbook, and that remedy was not exhausted prior to coming to this Court, so that any procedural right which the plaintiff

may have had was waived. They had five days to do it, they decided instead to come here.

In -- now, in the <u>Don Bosco</u> case, starting on page 14, the Court said Don Bosco was clearly acting as a private organization, not as a state agency. On page 18, it went on to state a private primary or secondary school is generally considered a private association rather than the function of the state. The procedural rights inherent in membership with private association and the termination of membership are substantially less than those of a public school or public university student. Membership in private organization attaches somewhat different rights than, quote, "membership," unquote, in a private university.

The quote went on to say that membership in a private organization receives the least procedural protection in our judiciary. Under all of these circumstances, the Court finds that the manner in which the Phillips grievances were addressed time and again are fundament -- were fundamentally fair, and there was an effort always to ameliorate their concerns, even up to February 22nd, which was rejected -- which effort was rejected the very next day. And even though it may have been in a meeting with others, it was rejected.

In Allen versus Casper, 87 Ohio App.3d 338,

62 NE 367, Appellate District of Ohio (1993), an appeals court in Ohio affirmed the grant of summary judgment dismissing a parent's action against a private elementary school and officials because the school officials did not violate the parent's contractual rights and acted within its discretion when they expelled a child midyear -- oh, actually, children midyear based on the parent's failure to comply with the terms of the handbook.

In Allen, the plaintiff's daughter complained of classmate's inappropriate behavior and conduct. alleged improper behavior involved male classmate inappropriately touching plaintiff's daughter and a student with dental malformation inadvertently spraying saliva on plaintiff's daughter. Plaintiff's mother, after contacting school administrators, was dissatisfied with the private school's internal handling of these incidents. Plaintiff became angry and called school administrators, quote, "un-Christian, and accused them of working with the devil, " unquote. And that's -- during a meeting with the school administrator, the pastor and the plaintiff, the mother conceded that she insulted the administrator. As a result of the foregoing, the school administrator determined that the parties could no longer develop a

working relationship with plaintiff's family, and plaintiff was asked to remove the children from school. In affirming the trial court's grant of summary judgment, the Appellate Court ruled that the relationship between the plaintiff and the defendant private Catholic school and its administrators was a contractual relationship pursuant to the school's handbook and policies, and that those express terms may govern the circumstances under which a student may be expelled. The Court opined, quote, "because contracts for private education have unique qualities, they are to be construed in a manner which leaves school board broad discretion to meet its educational and doctrinal responsibilities. Absent a clear abuse of discretion by the school and the enforcement of its policies and regulations, courts will not interfere with these matters."

And the <u>Allen</u> case bears substantial similarity to this case. It would bear noting in this case that when Reverend Monsignor Nydegger was about to make his recommendation to the Cardinal, he spoke to Deacon Joe, he spoke to Reverend Joe, he spoke to Dr. Dames, and by speaking to all of these people, he was convinced that the school's ecclesiastical mission had been upset and that it had to be remedied. And

ultimately, when he and Dr. Dames went to the Cardinal, each and every event doesn't need to be known to the Cardinal.

What was known to the Cardinal was that he extended his, as he put it, his mercy to this situation. And as he said, he was astonished that it resulted in the reaction of the plaintiffs. That's what he really needed to know. And that reaction to the Cardinal was within a period of two weeks from the time he did it. There was no effort to be conciliatory in that time period, there was only an effort to be incendiary. There was an effort -- there was a letter written on the -- the decision was made on the 23rd.

A week later, on the -- I mean on the 15th. A week later, on February 22nd, Dr. Dames had her meeting, and then one day later, eight days from the time the Cardinal extended his mercy, rather than trying to find a way to be conciliatory, a threat of a lawsuit was made, and -- even though he didn't know a letter was written to him threatening that lawsuit, and it was ultimately filed.

And it's really -- and in terms of his -- this is -- he didn't know about that letter. So -- but what he did know is he did know about the lawsuit being filed two weeks after his decision was made, and he was

truly disturbed that the peace and tranquility of the community was being upset so -- and these are my words, not his, but -- so soon after he made his decision. And the position that he would need to know more under these circumstances, when this circumstance was created by Mr. Phillips and Ms. Mullen, rings hollow.

An issue was raised with respect to a waiver of the right to not -- of -- by the plaintiffs not to re-enroll the children. And factually, that waiver argument has no merit. The application for re-enrollment was sent out in January. The application -- after the application was sent out, Cardinal Tobin allowed the children to be re-enrolled.

But what also happened after that application was sent out is that there were actions taken by the publicizing of this case, at least according to what the state of mind is of the Archdiocese representatives, and there were actions taken with the lawsuit, but -- and other action, and that the upset of the community was intensified long after the application was sent to the plaintiffs. So the facts had changed since the offer was extended. And when the re-enrollment application came to the attention of the defendants' representatives under the circumstances that existed then, they declined to accept that

application. There -- so there was no waiver by sending out the application, because it was sent out before all these activities.

Now, there are some other equitable considerations which the Court would like to touch on briefly. First of all, even if there was a legal right to success on the merits, which, by the way, as I said earlier, would have to be established both under the law of specific performance as well as under the law of injunctive relief by clear and convincing evidence, and the -- that the existence of a contractual right can't be sustained by a preponderance of the evidence, no less the clear and convincing evidence standard. But there are also other bases on which an injunction would not be appropriate.

It is axiomatic -- quote, "It is axiomatic that injunctive relief should not be entered except when necessary to prevent substantial, immediate, and irreparable harm," unquote, <u>Garden State Equality v. Dow</u>, 433 NJ Super. 347, 351 (Law Division 2013), aff'd 216 NJ 214 (2013). It is -- in the <u>Don Bosco</u> case, the Court indicated that a student removed from a private high school had immediate access to public schools for education, thereby in effect mitigating any irreparable harm, 322 NJ Super. at 614. The Court would note that

beyond just having the availability of public education, to the extent that religion is important, CCD and other religious outlets are available, so there are ways to avoid any irreparable harm in this case.

In terms of balancing the equities in this

case, because that's one of the things the Court should also look at, the comparison of the hardship to plaintiff if relief is denied and hardship to the defendant if relief is granted, the Court is mindful of the fact that St. Theresa's is the only school the children have known. The Court is troubled that it is put in the position where the children, according to Mr. Phillips — and I accept this part of his testimony — would be heartbroken that they could not participate in the only school community that they've ever known.

But I have to weigh against that the disruption and the fracture of the community. And when I look at this from just a practical perspective, in essence, the administration was on edge because of all of these events. The students were on edge. The parents were on edge. If I allow the children to go back, it is only going to continue to upset the peace and harmony in this community.

And I also bear in mind that if the children prefer not to go to public school, and I recognize this

is the last year of S.P.'s education at the school and she's got her dance and her trip to Hershey Park and all these events that she's been so looking forward to for a period of time, that she may go to a different Catholic school if she could, which would offer the same kind of activities. And, you know, she, from everything that I've been told during this case, she has adjusted to what's happened in this case, and I would hope she would be able to adjust elsewhere, as would K.P. So that's an issue to me.

One of the other issues I have to look at is whether an injunction would be adequate. And in terms of the adequacy of the injunction, the Court is concerned about what's called the continuing superintendents doctrine. It's a doctrine that applies in specific performance cases, and essentially what that doctrine states is specific performance of a contract will not be awarded, quote, "where the execution of its decree for specific performance would entail continuing and constant superintendence over a considerable period of time," period, unquote, Fleischer v. James Drug Stores, 1 NJ 139, 149 (1948).

How that's relevant in this case is the following. I have served on the bench for a considerable period of time. This is the single most

contentious case in which I have ever been involved. I have had more applications in this case then any other case I've been involved. And before here, I sat in the Family Division, which is known for contentious litigation, because it has such a profound effect on people's lives. But this too has a profound effect on children's lives, and it's something that I've always taken very seriously about this case.

Before the trial in this case, there were five applications for a stay of the Appellate Division. Or there were three that were actually made, five that were requested. There have been other applications of the Appellate Division in this case. I've had numerous applications. I have taken phone call after phone call after phone call in this case, during vacations of both counsel, and there always seems to be a sense of urgency about this case. There is nothing that leads this Court to believe that that, for lack of a better word, hysteria is going to end once -- if I sent the children back. And I cannot -- this Court cannot be in the position where it has to continually supervise what goes on.

The brief filed by the plaintiff -- I unfortunately brought all my papers back in chambers -- you know, characterized the defendants' conduct as

deplorable. You know, I believe the word "shameful" was used. There were a number of incendiary words used. I don't have any confidence that if I sent the children back that the contentious litigation would end. So -- and it would be very difficult, and this also is in accordance with what's -- one of the things I have to decide -- would be very difficult for this Court to fashion an order that would prevent it.

So, for all of the reasons that I've just gone through, I am going to deny the application for re-enrollment. To -- stop. Let me rephrase that. I am going to deny the application to restrain the re-enrollment decision, and I'm going to allow the non-re-enrollments decision to stand. So I will enter an order to that effect. My law clerk is out today but I'll get that order out quickly. I'll have to get somebody to help me with it tomorrow. Okay. With that, the record's -- anything else, counsel?

MR. WESTRICK: No, Your Honor.

THE COURT: Okay. With that, the record's now closed.

MR. WESTRICK: Thank you.
MS. McCREA: Thank you.
(Trial concluded at 5:12 p.m.)

CERTIFICATION I, TERRY L. DeMARCO, the assigned transcriber, do hereby certify the foregoing transcript of proceedings from pages 1 through 56, line 19, on CourtSmart, Index No. from 1:51:18 to 3:30:07, is prepared to the best of my ability and in full compliance with the current Transcript Format for Judicial Proceedings and is a true and accurate compressed transcript of the proceedings, as recorded. /s/ Terry L. DeMarco AD/T 566 AOC Number Terry L. DeMarco KLJ Transcription Service 08/30/17 Agency Name Date

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